

Date: April 8, 2014

To: Thomas J. Bonfield, City Manager
Through: W. Bowman Ferguson, Deputy City Manager
From: Joel V. Reitzer, Director, General Services Department

Subject: Proposed acquisition of 4,498.00 square feet of Fee Simple, 3,962.16 square feet of Permanent Drainage Easement and 4,174.97 square feet of Temporary Construction Easement from TRG Capital, L.L.C. at 4003 Fayetteville Street, Durham, NC 27713 (Parcel #133842), for the Fayetteville/Buxton/Riddle Road Realignment Project.

Executive Summary

The Public Works Department is slated to begin construction of the Fayetteville/Buxton/Riddle Road Realignment Project (ST-254) in the Fall of 2014. The project is a proposed realignment of the intersection of Fayetteville Street, Buxton Street and Riddle Road. The purpose of the project is to align Riddle Road with Buxton Street and widen Fayetteville Street to accommodate additional lanes and provide a safer vehicular and pedestrian traffic pattern. The estimated cost for the project is \$5,260,000.00. The project is funded by City Street Impact Funds under the Capital Improvement Program.

The Real Estate Division of the General Services Department was tasked with acquiring fee simple property, permanent drainage easements, and temporary construction easements for the completion of the project. The Real Estate staff has negotiated an Option to Purchase 4,498 square feet of Fee Simple, a Permanent Drainage Easement of 3,962.16 square feet, and two (2) Temporary Construction Easements totaling 4,174.97 square feet across a portion of 4003 Fayetteville Street, owned by TRG Capital, L.L.C. In addition, TRG Capital, L.L.C. currently has a valid site plan approved by the City/County Planning Department to construct an additional 3,500 square foot improvement onto the existing building. The proposed acquisition will prohibit the owner from constructing this addition to the existing building. Additionally, the proposed acquisition will eliminate seven (7) existing parking spaces on the property.

Recommendation

The General Services Department and the Public Works Department recommend that City Council approve acquisition of 4,498 square feet of Fee Simple, a Permanent Drainage Easement of 3,962.16 square feet, and two (2) Temporary Construction Easements totaling 4,174.97 square feet across a portion of 4003 Fayetteville Street (Parcel #133842) owned by TRG Capital, L.L.C. for a purchase price of \$275,000.00.

Background

The project was requested by the Department of Transportation to realign the existing route for a safer vehicular and pedestrian traffic pattern. There are a total of sixteen (16) acquisitions for the project. Subsequent to this acquisition, three (3) properties will remain to be acquired.

Issues and Analysis

Using comparable sales data and the income approach to value which was assembled utilizing an appraisal by David Smith and Associates, Triangle Multiple Listing Service (TMLS), a residential/commercial real estate listing service and Tacquire, a commercial real estate listing service. Staff successfully negotiated acquisition of the property needed for the project within the current market range of value.

Alternatives

An alternative is to select an alternate route for the realignment of this intersection that does not impact this property. The route selected represents the most reasonable and feasible manner in which to realign the intersection of Fayetteville Street, Buxton Street, and Riddle Road. Re-routing the project would result in significant additional design costs and delays.

Financial Impact

Funds for the acquisition related to the project are allocated in the Fayetteville/Buxton/Riddle Road Realignment Project, account 3612L010-732000-LC127. Compensation to the property owner is \$275,000.00, closing costs are estimated at \$1,500.00. Estimated total expenditures are \$276,500.00.

SDBE Summary

This item does not require review by the Equal Opportunity/Equity Assurance Department.

Attachments

Fayetteville/Buxton/Riddle Road Project Plat
Option to Purchase
Overview Map